

Secretarial Department

December 11, 2023

Ref. FEDFINA/ CS/ 03/ 2023-24

To, National Stock Exchange of India Ltd., Listing Department Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	To, BSE Limited, The Corporate Relationship Dept. Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 BSE NCD Company Code: 12337, ISIN INE007N08023, INE007N07041, INE007N08015 and INE007N07033
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Re: Scrip Code: 544027, Symbol: FEDFINA

Sub: Outcome of the Board meeting held on December 11, 2023 - Unaudited Financial results for the quarter and half year ended September 30, 2023 pursuant to the provisions of the SEBI (LODR) Regulations, 2015.

Dear Sir/Madam,

Pursuant to the provisions of Regulations 30, 33, 52 and 54 read with Schedule III of the SEBI (Listing Obligations and Disclosure requirements) 2015 ("SEBI Regulations") and other applicable regulations, if any, we hereby inform that the Board of Directors of the Company in their meeting held today i.e. December 11, 2023 has inter- alia approved the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2023.

In this regard please find enclosed the following:

1. Unaudited Financial results for the quarter and half year ended September 30, 2023 which was duly approved and taken on record by the Board of Directors. The said results were reviewed and recommended by the Audit Committee in its meeting held prior to the Board Meeting today.
2. Limited Review Report by M/s. BSR & Co. LLP, Statutory Auditors, on the Unaudited Financial Results for the quarter and half year ended September 30, 2023. Further M/s BSR & Co. LLP, Statutory Auditors of the Company has issued unmodified opinion on the Unaudited financial results for the quarter and half year ended September 30, 2023.



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3. Disclosure of ratios and prescribed line items in accordance with Regulation 52(4) of SEBI Regulations.
4. Disclosures of security cover in accordance with Regulation 54 of SEBI Regulations as Annexure 1.
5. Statement of utilisation of issue proceeds of non convertible debentures pursuant to Reg 52(7) and statement of deviation/ variation in use of proceeds of non convertible debentures as per Reg 52(7A) of SEBI Regulations as Annexure 2
6. Disclosure of related party transactions for the half year ended September 30, 2023 pursuant to Reg 23(9) of SEBI Regulations as Annexure 3

Further, in accordance with Regulation 47 and 52 of the SEBI (LODR) Regulations, 2015, the Company would be publishing the Unaudited Financial Results for the quarter and half year ended September 30, 2023 in Business Standard (English) newspaper and Mumbai Lakshadeep (Marathi) newspaper within the prescribed timelines.

The Board meeting is concluded at 4.25 p.m.

The above is submitted for your kind information and appropriate dissemination.

Thanking you,

Yours Faithfully
For Fedbank Financial Services Limited



S. Rajaraman
Company Secretary & Compliance Officer
Membership No.:F3514



BSR & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing
Nesco IT Park A, Nesco Center
Western Express Highway
Goregaon (East), Mumbai – 400 063, India
Telephone: +91 (22) 6257 1000
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Limited Review Report on unaudited financial results of Fedbank Financial Services Limited for the quarter ended 30 September 2023 and year-to-date results for the period 1 April 2023 to 30 September 2023 pursuant to Regulation 33 and Regulation 52(4) read with Regulation 63 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, as amended

To the Board of Directors of Fedbank Financial Services Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Fedbank Financial Services Limited (hereinafter referred to as “the Company”) for the quarter ended 30 September 2023 and year-to-date results for the period 1 April 2023 to 30 September 2023 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52(4) read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”), as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, as amended. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Registered Office:

BSR & Co. (a partnership firm with Registration No. BA61223) converted into BSR & Co. LLP (a Limited Liability Partnership with LP Registration No. AAB-6121) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park A, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52(4) read with Regulation 63 of the Listing Regulations, as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/P/CIR/2021/613 dated 10 August 2021, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters to the extent applicable.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Mumbai
11 December 2023

Ashwin Suvarna
Partner

Membership No.: 109503
UDIN: 23109503BGXURD7547

Statement of Unaudited Financial Results for the Quarter and half year ended September 30, 2023

INR in Lakhs

Sl.No.	Particulars	For the Quarter ended			For the Half year ended		For the Year ended
		Sep 30, 2023	June 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Mar 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Revenue from Operations						
	(a) Interest Income	37,422	34,123	26,856	71,545	50,217	1,11,016
	(b) Fee and Commission Income	1,699	1,426	1,351	3,125	2,576	5,601
	(c) Net Gain on fair value changes	358	590	257	948	421	1,262
I	Total Revenue from Operations	39,479	36,139	28,464	75,618	53,214	1,17,879
II	Other Income	316	648	845	964	1,699	3,588
III	Total Income (I + II)	39,795	36,787	29,309	76,582	54,913	1,21,467
	Expenses						
	(a) Finance cost	16,691	16,358	10,814	33,049	20,598	47,215
	(b) Fees and commission expenses	575	460	493	1,035	936	2,328
	(c) Impairment on financial instruments and other receivable	1,481	1,065	1,706	2,546	2,665	4,890
	(d) Employee benefit expense	7,932	6,923	5,797	14,855	11,491	24,760
	(e) Depreciation and amortisation expense	947	866	1,043	1,813	1,986	4,187
	(f) Other expenses	4,432	3,909	3,069	8,341	5,050	12,248
IV	Total Expenses	32,058	29,581	22,922	61,639	42,726	95,628
V	Profit before exceptional items and tax (III-IV)	7,737	7,206	6,387	14,943	12,187	25,839
VI	Exceptional items	-	-	-	-	-	(1,537)
VII	Profit before tax	7,737	7,206	6,387	14,943	12,187	24,302
VIII	Tax expense	1,961	1,818	1,771	3,779	3,195	6,289
	Current tax	2,045	1,870	1,652	3,915	3,296	5,738
	Deferred tax	(84)	(52)	119	(136)	(101)	551
IX	Net Profit for the period/year (VII-VIII)	5,776	5,388	4,616	11,164	8,992	18,013
X	Other Comprehensive Income	1,384	397	581	1,781	845	1,238
	(a) Items that will not be reclassified to profit or loss						
	(i) Re-measurement of net defined benefit plan	34	(13)	24	21	32	15
	(ii) Income tax related to items that shall not be reclassified to profit and loss	(8)	3	(6)	(5)	(8)	(4)
	Total	26	(10)	18	16	24	11
	(b) Items that will be reclassified to profit or loss						
	(i) Fair value gain / (loss) - OCI - Loans	1,821	512	763	2,333	1,112	1,633
	(ii) Fair value gain / (loss) - OCI - Investment in Government Securities	(3)	32	1	29	1	6
	(iii) Tax effect on Fair value gain / (loss) - OCI - Loans and Investment in Government Securities	(460)	(137)	(200)	(597)	(292)	(412)
	Total	1,358	407	563	1,765	821	1,227
XI	Total Comprehensive Income (IX+X)	7,160	5,785	5,197	12,945	9,837	19,251
XII	Earnings Per Share (Face Value of Rs. 10/- each)#						
	- Basic (Rs.)	1.78	1.67	1.43	3.46	2.79	5.60
	- Diluted (Rs.)	1.78	1.67	1.43	3.46	2.79	5.59

EPS for the period is not annualised



Statement of Unaudited Assets and Liabilities as at September 30, 2023

		INR in Lakhs	
Particulars		As at September 30, 2023 (Unaudited)	As at March 31, 2023 (Audited)
I.	ASSETS		
(1)	Financial assets		
	(a) Cash and cash equivalents	92,260	9,396
	(b) Bank balances other than cash and cash equivalents	-	66
	(c) Receivables		
	(i) Trade receivables	1,207	1,485
	(ii) Other receivables	329	476
	(d) Loans	8,52,044	7,99,970
	(e) Investments	35,668	68,062
	(f) Other financial assets	6,942	6,446
	Total Financial assets	9,88,450	8,85,901
(2)	Non-financial assets		
	(a) Current tax assets (net)	1,053	1,197
	(b) Deferred tax assets (net)	1,717	2,183
	(c) Property, Plant and Equipment	3,099	3,066
	(d) Right Of Use Assets	11,176	11,193
	(e) Capital work in progress	128	53
	(f) Other Intangible assets	323	320
	(g) Other non-financial assets	4,569	3,186
	Total Non-financial assets	22,065	21,198
	TOTAL ASSETS	10,10,515	9,07,099
II.	LIABILITIES & EQUITY		
(1)	Financial liabilities		
	(a) Derivative financial instruments	83	482
	(b) Payables		
	Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	707	2,609
	Other payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	(c) Debt securities	40,217	61,123
	(d) Borrowings (other than debt securities)	7,29,649	6,26,493
	(e) Subordinated Liabilities	45,386	25,967
	(f) Lease Liability	12,829	13,404
	(g) Other financial liabilities	25,786	35,078
	Total Financial liabilities	8,54,657	7,65,156
(2)	Non-financial liabilities		
	(a) Provisions	964	620
	(b) Other non-financial liabilities	5,260	5,755
	Total Non-financial liabilities	6,224	6,375
	Equity		
	(a) Equity share capital	32,394	32,191
	(b) Other equity	1,17,240	1,03,377
		1,49,634	1,35,568
	TOTAL LIABILITIES AND EQUITY	10,10,515	9,07,099



Statement of Unaudited Cash flow for the Half Year ended September 30,2023	For the period ended September 30,2023 (Unaudited)	For the period ended September 30,2022 (Unaudited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	14,943	12,187
Adjustments for		
Finance cost	33,049	20,598
Share based payment to employee	255	413
Depreciation	1,813	1,986
Interest income from Investment	(994)	(322)
Interest on Fixed Deposit	(360)	(189)
Loss on sale of tangible assets	0	1
Profit on Sale Of Government Securities (Net) - realised	(11)	(2)
Profit on Sale Of Mutual Fund units (Net) - realised	(935)	(407)
Gain/(Loss) on fair valuation of mutual fund - unrealised	(2)	(14)
Security deposit - Fair Valuation	(45)	3
EIR impact on Loans	(14)	21
Excess interest spread on Direct Assignment Transaction (net)	(1,879)	(1,304)
Impairment on financial instrument	2,546	2,665
Operating profit before working capital changes	48,366	35,636
Adjustments for working capital:		
- (Increase)/decrease in loans	(50,260)	(99,478)
- (Increase)/decrease in financial asset and non financial asset	(1,553)	(2,287)
- (Increase)/decrease in trade and other receivables	374	(5)
- Increase/(decrease) in trade payables	(1,903)	57
- Increase/(decrease) in provisions	365	77
- Increase/(decrease) in financial liabilities and non financial liabilities	(10,186)	(554)
Cash generated from / (used In) operating activities	(14,797)	(66,555)
Direct taxes paid (net of refund)	(3,771)	(2,979)
Net cash generated from / (used in) operating activities	(18,568)	(69,533)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(719)	(613)
Sale of tangible assets	(0)	1
Purchase of intangible assets	(87)	(56)
Investment in Government securities	(29,282)	(26,906)
Redemption of Government securities	64,533	48,285
Investment in Mutual Fund	(5,43,374)	(3,35,883)
Sale of Mutual Fund	5,41,409	3,29,746
Redemption of fixed deposit	1,03,466	2,500
Investment in fixed deposit	(1,03,466)	(6)
Interest on fixed deposits	146	173
Interest income from Investment	996	364
Net cash generated from / (used in) investing activities	33,622	17,603
C. CASH FLOW FROM FINANCING ACTIVITIES		
Debt Securities availed	50,000	42,500
Debt Securities repaid	(70,375)	(15,000)
Borrowings availed	2,74,738	9,19,619
Borrowings repaid	(1,71,691)	(8,70,361)
Subordinate borrowing availed	20,000	-
Finance Cost	(33,588)	(20,934)
Lease Payment (principal)	(1,675)	(1,054)
Lease Payment (interest)	(463)	(461)
Equity Shares Issued	203	164
Share Premium net of Share Issue Expenses	661	-
Net cash generated from / (used In) financing activities	67,810	54,473
Net Increase / (decrease) in cash and cash equivalents	82,864	2,543
Cash and cash equivalents as at the beginning of the period	9,396	6,596
Closing balance of cash and cash equivalents (A+B+C)	92,260	9,139
Components of cash and cash equivalents:		
Cash on hand	1,566	2,296
Balances with banks		
- in current accounts	10,675	6,843
- in fixed deposit with maturity less than 3 months	80,019	-
Cash and cash equivalents	92,260	9,139



Notes:

- The Company is a Systemically Important Non Deposit taking Non Banking Finance Company (NBFC-ND-SI) registered with Reserve Bank of India (RBI) classified as an Investment and Credit Company.
- The above financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS), prescribed under section 133 of the Companies Act, 2013 (the "Act"), and other recognised accounting practices generally accepted in India and are in compliance with Regulation 33, Regulation 52(4) read with Regulation 63 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended (the "Listing Regulations"), as prescribed in Securities and Exchange Board of India operational circular SEBI/HO/DDHS/PCIR/2021/613 dated August 10, 2021. Any application guidance / clarification / directions issued by RBI or other regulators are implemented as and when they are issued / applicable. The interim financial statements, used to prepare the financial results, are based on the notified Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies that are required to comply with Ind AS.
- The aforesaid unaudited financial results have been approved by the Board of Directors at its meeting held on December 11, 2023 after review by the Audit Committee. The statutory auditors have issued an unmodified review opinion on the aforesaid unaudited financial results for the quarter and half year ended September 30, 2023.
- Disclosure in compliance with RBI circular 2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21

Format B		(INR in Lakhs)				
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrower during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year	
Personal Loans	13,077	-	11	2,475	10,591	
Corporate persons*	-	-	-	-	-	
Of which MSMEs	-	-	-	-	-	
Others	-	-	-	-	-	
Total	-	-	-	-	-	

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

5 Disclosure in compliance with RBI circular 2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21

No. of accounts restructured	Amount outstanding as at Sep 30, 2023
22	925

- Security cover available: The Company has secured NCDs of Rs 293.75 Crs (face value) outstanding at Sep 30, 2023 which are secured by way of first ranking pari passu charge over the eligible receivables & Current assets to the extent of security cover of 1.10 times of the Obligations.

7 Segment Information

Particulars	(INR in Lakhs)					
	Quarter ended	Quarter ended	Quarter ended	Half year ended	Half year ended	Year ended
	Sep 30, 2023 (Unaudited)	June 30, 2023 (Unaudited)	Sep 30, 2022 (Unaudited)	Sep 30, 2023 (Unaudited)	Sep 30, 2022 (Unaudited)	Mar 31, 2023 (Audited)
(i) Segment Revenue						
Retail Finance	37,508	33,857	26,976	71,365	50,497	1,11,479
Wholesale Finance	70	113	159	183	256	319
Distribution	957	811	825	1,768	1,529	3,407
Unallocated	1,260	2,006	1,349	3,266	2,631	6,262
Income from Operations	39,795	36,787	29,309	76,582	54,913	1,21,467
(ii) Segment Result						
Retail Finance	7,339	6,334	6,197	13,673	11,662	21,809
Wholesale Finance	20	(25)	(686)	(6)	(825)	(1,035)
Distribution	45	35	37	81	70	151
Unallocated	333	862	839	1,195	1,280	4,884
Profit before tax	7,737	7,206	6,387	14,943	12,187	25,839
(iii) Capital Employed Segment Assets						
Retail Finance	10,04,561	9,34,192	7,32,081	10,04,561	7,32,081	8,96,543
Wholesale Finance	2,855	3,178	4,074	2,855	4,074	6,700
Distribution	329	918	345	329	345	476
Unallocated	2,770	2,961	4,662	2,770	4,662	3,380
Total Assets	10,10,515	9,41,249	7,41,162	10,10,515	7,41,162	9,07,099
Segment Liabilities						
Retail Finance	8,58,457	7,96,660	6,12,083	8,58,457	6,12,083	7,65,755
Wholesale Finance	2,310	2,583	3,197	2,310	3,197	5,293
Distribution	114	516	116	114	116	483
Unallocated	-	-	-	-	-	-
Total Liabilities	8,60,881	7,99,759	6,15,396	8,60,881	6,15,396	7,71,531
(Segment assets - Segment Liabilities)						
Retail Finance	1,46,105	1,37,532	1,19,998	1,46,105	1,19,998	1,30,788
Wholesale Finance	545	595	877	545	877	1,407
Distribution	215	402	229	215	229	(7)
Unallocated	2,770	2,961	4,662	2,770	4,662	3,380
Net Segment assets / (liabilities)	1,49,635	1,41,490	1,25,766	1,49,635	1,25,766	1,35,568

The Company has reported segment information as per Indian Accounting Standard (Ind AS) 108 on 'Operating segments'. As per Ind AS 108, segments are identified based on management's evaluation of financial information for allocating resources and assessing performance. For presentation of segment information, directly attributable income, and assets are allocated as such and the other income, expenses and other assets and liabilities are apportioned on appropriate basis. Accordingly, the Company has identified following three reportable segment:

Business Segment	Principal Activities
1. Retail Finance	Retail finance comprises of Gold Loan, Loan Against Property, MSE Loan Against Property, Business Loans, Personal Loans and Housing Finance
2. Wholesale Finance	Wholesale finance segment comprised of Construction Finance and Loan to other NBFCs
3. Distribution	Distribution segment comprises of sourcing business of Home Loan, Auto Loans, Personal Loans and SME Loans for Holding Company



Notes (continued):

8 Disclosure as per Regulation 52(4) of SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 as amended.

Particulars	As at	As at	As at	As at
	Sep 30, 2023	June 30, 2023	Mar 31, 2023	Sep 30, 2022
Debt-Equity Ratio ²	5.45	5.39	5.26	4.59
Debt Service Coverage Ratio	NA	NA	NA	NA
Interest Service Coverage Ratio	NA	NA	NA	NA
Outstanding redeemable preference shares (quantity and value)	NA	NA	NA	NA
Capital redemption reserve (INR in Lakhs)	200	200	200	200
Debenture redemption reserve	NA	NA	NA	NA
Current liability ratio ³	0.33	0.34	0.33	0.40
Total debt to total assets	0.81	0.81	0.79	0.78
Net worth ⁴ (INR in Lakhs)	1,49,634	1,41,490	1,35,568	1,25,766
Sector specific equivalent ratios				
- CRAR	19.70%	19.71%	17.94%	19.60%
- Gross Non Performing Assets (GNPA) ⁵	2.34%	2.26%	2.03%	2.27%
- Net Non Performing Assets (NNPA) ⁶	1.83%	1.76%	1.59%	1.78%
- Liquidity Coverage ratio	101.00%	103.00%	108.00%	100.00%
- Provision Coverage Ratio (PCR) ⁷	22.54%	22.33%	22.19%	21.89%

Particulars	Quarter ended				Half year ended	Year ended
	Sep 30, 2023	June 30, 2023	Mar 31, 2023	Sep 30, 2022	Sep 30, 2023	Mar 31, 2023
Net profit margin (%)	14.51%	14.65%	11.26%	15.75%	14.58%	14.83%
Net Profit after tax (INR in Lakhs)	5,776	5,388	3,904	4,616	11,164	18,013
Earnings Per Share (EPS) - Not annualised						
- Basic	1.78	1.67	1.21	1.43	3.46	5.60
- Diluted	1.78	1.67	1.21	1.43	3.46	5.59

1. Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital ratio, Bad debts to accounts receivable ratio, Debtors turnover, Inventory turnover and Operating margin are not applicable to the Company.

2. Debt equity ratio = [Debt Securities + Borrowings (Other than Debt Securities) + Subordinated Liabilities] / [Equity Share capital + Other equity]

3. Current Liability Ratio = [Current Liabilities] / [Total Assets minus Total Net worth]

4. Net worth = [Equity share capital + Other equity]

5. GNPA = Stage 3 Loans / Total Gross Loans

6. NNPA = [Gross Stage 3 Loans - Impairment allowance for Stage 3 Loans] / [Total Gross Loans - Impairment allowance for Stage 3 Loans]

7. PCR = [Total Impairment allowance for Stage 3 Loans] / [Total Stage 3 Loans]

9 Disclosure pertaining to RBI Master Direction - RBI/DOR/2021-22/86 DOR.STR.REC.51/21 04 04/2021-22 Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

(i) The Company has not transferred any non-performing assets (NPAs)

(ii) The Company has not transferred any Special Mention Account (SMA) and loan in default.

(iii) Details of transfer through assignment in respect of loans not in default during the quarter ended Sep 30, 2023:

Particulars	Amount
Aggregate amount of Loan transferred (Rs. In lakhs)	60,132
Weighted average residual maturity (in months)	140
Weighted average holding period by originator (in months)	18
Retention of beneficial economic interest	5%/10%/20%/25%
Coverage of tangible security coverage (in %)	70%
Rating-wise distribution of rated loans	NA

(iv) The Company has not acquired any loans through assignment.

(v) The Company has not acquired any stressed loan.

10 The Company's equity shares have been listed on National Stock Exchange (NSE) and on BSE Limited (BSE) on November 30, 2023 on account of completion of the Initial Public Offering (IPO) of 7,80,42,871 equity shares of face value of Rs.10 each at an issue price of Rs. 140/- (issue price for employees was Rs. 130/-) per equity share, consisting of fresh issue of 4,28,81,148 equity shares amounting to Rs. 60,000 lakhs and through an offer for sale of 3,51,61,723 equity shares amounting to Rs.49,226 lakhs.

The Company has Non-convertible Debentures listed on the debt segment of BSE. As a debt listed Company, pursuant to Regulation 52 of the Listing Regulations, the Company is required to publish quarterly financial results within 45 days from the completion of the quarter. Due to the aforesaid IPO process, the submission of the unaudited limited review results for the quarter and half year ended September 30, 2023 has got delayed and is being submitted after the 45 days period stipulated by Regulation 52 of the Listing Regulations, subsequent to the results being approved by the Board of Directors at its board meeting held on December 11, 2023.

The delayed filing of the unaudited limited review results for the quarter and half year ended September 30, 2023 has also led to a delay in submission of quarterly financial information to its lenders attracting breach in non-financial covenant. As of date, some debenture holders of one of the debenture series have informed the concerned debenture trustee to take further action as per Debenture Trustee Deed based on which the debenture trustees have convened a meeting of the debenture holders of that particular series on 2 January 2024 to arrive at a consensus on either condoning the delay upto December 11, 2023 for submitting unaudited limited review results or decide on any action to be taken including considering it as an event of default. The Company believes that this breach in covenant does not have any material impact on the financial results of the Company as on the balance sheet date and any consequential action, if any, by the debenture holders as per the debenture trust deed would not cause any significant financial constraint to the Company.

For and on behalf of Board of Directors
Fedbank Financial Services Limited



Anil Kothuri
Managing Director & CEO
DIN: 00177945

Place: Mumbai
Date: December 11, 2023

BSR & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai – 400063, India
Telephone: +91 (22) 6257 1000
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Private and confidential

The Board of Directors
Fedbank Financial Services Limited
A-Wing, Unit No:511
Kanakia Wall Street
Andheri-Kurla Rd, Andheri East
Mumbai, Maharashtra 400095

11 December 2023

Dear Sirs,

Auditor's report on Statement of Information in respect of security cover maintained with respect to listed non-convertible debentures as at 30 September 2023 and compliance with covenants with respect to listed non-convertible debentures as at 30 September 2023.

1. This report is issued in accordance with the terms of our engagement letter dated 05 August 2023.
2. Management has requested us to certify the particulars contained in the accompanying Statement of Information for listed Non-Convertible Debentures ('NCDs') consisting of Annexure I and II attached herewith (the 'Statement') for Fedbank Financial Services Limited (the 'Company') as at 30 September 2023. This Statement has been prepared by the Company to comply with Regulation 54 read with Regulation 56 (1) (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated 19 May 2022 (together referred to as the 'Regulations') for the purpose of its onward submission to Beacon Trusteeship Limited and Axis Trustee Services Limited ('Debenture Trustees').

Management's responsibility

3. The preparation and presentation of the Statement is the exclusive responsibility of the Company's management including the preparation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring that the Company complies with the requirements of the Regulations and the Debenture Trust Deeds ('DTD') dated 4 January 2023 and 23 June 2023 entered into with Debenture Trustees for all listed NCDs outstanding as at 30 September 2023 (as listed in 'Annexure I and II') and for providing all relevant information to the Debenture Trustees. Further, the Company's management is responsible for completeness and accuracy of the information provided in Statement, including the status of compliance with covenants as at 30 September 2023.

Auditor's responsibility

5. We have not performed an audit, the objective of which would be expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such an opinion.
6. Pursuant to the request from management and as required by the Debenture Trustees, we are required to provide a limited assurance and form a conclusion based on the work performed as to whether anything has come to our attention that causes us to believe that the Statement, in all material respects, is not in agreement with unaudited financial statements and other records maintained by the Company.
7. For the purpose of this report, we have planned and performed the following procedures:
 - A. Obtained a list of loan assets and financial assets pledged as security against the outstanding listed NCDs;
 - B. Traced the amounts forming part of the Statement with the unaudited financial statements as at 30 September 2023 and other records maintained by the Company and verified the arithmetical accuracy of the Statement;
 - C. Verified outstanding amount of NCDs as at 30 September 2023 and assets hypothecated from unaudited financial statements and other records maintained by the Company for the period ended 30 September 2023;
 - D. The Company does not maintain a one-on-one identification of loan asset and financial assets earmarked towards a particular borrowing in the system. A separate statement containing loan assets and financial assets charged to each lending institution for onward submission is maintained and was provided to us by the management. We have compared the total loan assets and financial assets security cover as computed by the management in the aforementioned Statement with the financial statements and other report maintained by Company as at 30 September 2023;
 - E. Recomputed the Security coverage ratio for secured NCDs as set out in the Statement;
 - F. Obtained the list of covenants for each series of NCDs, certified by management, along with the status of compliance with such covenants;
 - G. Traced covenants, for sample cases, to the respective debenture trust deeds and related documents;
 - H. Verified the compliance of financial covenants (Annexure II, Part A) as set out in the Statement, for sample cases with the unaudited financial statements and other records maintained and provided by the Company;
 - I. For the non-financial covenants (Annexure II, Part B) we have relied on the management representation and not performed any independent procedures; and
 - J. Obtained and verified the quarterly compliance certificate.
8. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Auditor's responsibility (Continued)

9. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control ('SQC') 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

11. Based on our procedures performed as mentioned in paragraph 7 above, information and explanation given to us by the Company, nothing has come to our attention that causes us to believe that, in all material respects:
 - a. the security cover maintained by the Company against the outstanding listed NCDs as at 30 September 2023 are not in line with respective DTDs; and
 - b. the Company has not complied with the covenants as set out in the Statement as on 30 September 2023.

Emphasis of Matter

12. We draw attention to Annexure II – Part B of the accompanying statement, which states that subsequent to 30 September, 2023, the Company has breached the non-financial (information) covenant with respect to submission of unaudited quarterly financial information to its Debenture trustees within 45 days from end of each quarter.

Restriction of use

13. This report has been issued for the sole use of the Board of Directors, to whom it is addressed, for onward submission to the Debenture Trustees pursuant to the requirements of the above-mentioned Regulations. Accordingly, our report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. We neither accept nor assume any duty or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Ashwin Suvarna

Partner

Membership No: 109503

UDIN:- 23109503BGXURF7372

Mumbai

11 December 2023

Annexure I- Security Cover as at September 30, 2023

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total Cto H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari Passu charge Assets	Carrying value /book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, OSRA market value is not applicable)	Total Value (A+K+M+N)	
		Book Value	Book Value	Yes/ No	Book Value	Book Value							Relating to Column F	
ASSETS														
Property, Plant and Equipment				No	NA	-	30.99	-	30.99					
Capital Work in-Progress				No	NA	-	1.28	-	1.28					
Right of Use Assets				No	NA	-	111.76	-	111.76					
Goodwill				No	NA	-	-	-	-					
Intangible Assets				No	NA	-	3.23	-	3.23					
Intangible Assets under Development				No	NA	-	-	-	-					
Investments	Government securities & Mutual Funds			Yes	49.00	-	307.68	-	356.68		49.00	-	49.00	
Loans	Loan Portfolio			Yes	7,754.08	-	766.36	-	8,520.44		-	-	7,754.08	7,754.08
Inventories				No	NA	-	NA	-	-					
Trade Receivables				No	NA	-	12.07	-	12.07					
Cash and Cash Equivalents	Cash and Cash Equivalents			Yes	861.89	-	60.71	-	922.60				861.89	861.89
Bank Balances other than Cash and Cash Equivalents				No	-	-	-	-	-					
Others				Yes	50.06	-	96.04	-	146.10				50.06	50.06
Total					8,715.03		1,390.12		10,105.15		49.00		8,666.03	8,715.03
LIABILITIES														
Debt securities to which this certificate pertains	Non - Convertible Debentures			Yes	305.80	-	-	-	305.80					
Other debt sharing pari-passu charge with above debt				No	NA	-	-	-	-					
Other Debt				No	NA	-	-	-	-					
Subordinated debt				No	NA	-	453.86	-	453.86					
Borrowings														
Bank				No	6,662.86	-	-	-	6,662.86					
Debt Securities				No	NA	-	96.37	-	96.37					
Others				No	608.45	-	25.17	-	633.62					
Trade payables				No	NA	-	7.07	-	7.07					
Lease Liabilities				No	NA	-	128.29	-	128.29					
Provisions				No	NA	-	9.64	-	9.64					
Others				No	NA	-	311.29	-	311.29					
Total					7,577.11		1,031.69		8,608.80					
Cover on Book Value							1.10							
Cover on Market Value														
		Exclusive Security cover ratio			Pari-passu security cover ratio									

Notes:

1. Loan portfolio mentioned in the column F represents Stage 1 and Stage 2 loans as defined in Ind AS 109.
2. Column F include book value of all assets having pari passu charge and outstanding book value of corresponding debt.
3. The value mention in Column F, H and J in respect to loans is net of provision made as per Ind AS 109.
4. Since market value of such loans are not readily available, the value disclose in column H are the book value.
5. Amounts are in INR crore.



Handwritten signature: Ganesha

Annexure 2- Statement of utilisation of issue proceeds of non-convertible debentures

A. Statement of utilization of issue proceeds:

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/ Private placement)	Type of instrument	Date of raising funds	Amount Raised	Funds utilized	Any deviation (Yes/ No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
Fedbank Financial Services Limited	INE007N08023	Private placement	Non-convertible Securities – Subordinated Debt	26-05-2023	Rs. 200 Crores	Fully Utilised	No	NA	-
Fedbank Financial Services Limited	INE007N07041	Private placement	Non-convertible Securities - Secured	26-06-2023	Rs.100 Crores	Fully Utilised	No	NA	-

B. Statement of deviation/ variation in use of Issue proceeds:

Particulars	Remarks														
Name of listed entity	Fedbank Financial Services Limited														
Mode of fund raising	Private placement														
Type of instrument	Non-convertible Securities														
Date of raising funds	INE007N08023 – 26.05.2023 INE007N07041 – 26.06.2023														
Amount raised	INE007N08023 – 26.05.2023 – Rs.200 Cr. INE007N07041 – 26.06.2023 – Rs. 100 Cr.														
Report filed for quarter ended	30-09-2023														
Is there a deviation/ variation in use of funds raised?	No														
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not applicable														
If yes, details of the approval so required?	Not applicable														
Date of approval	Not applicable														
Explanation for the deviation/ variation	Not applicable														
Comments of the audit committee after review	Not applicable														
Comments of the auditors, if any	Not applicable														
Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:	Not applicable														
<table border="1"> <thead> <tr> <th>Original object</th> <th>Modified object, if any</th> <th>Original allocation</th> <th>Modified allocation, if any</th> <th>Funds utilised</th> <th>Amount of deviation/ variation for the quarter according</th> <th>Remarks, if any</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Original object	Modified object, if any	Original allocation	Modified allocation, if any	Funds utilised	Amount of deviation/ variation for the quarter according	Remarks, if any							
Original object	Modified object, if any	Original allocation	Modified allocation, if any	Funds utilised	Amount of deviation/ variation for the quarter according	Remarks, if any									



					to applicable object (in Rs, crore and in %)	

Deviation could mean:

- a. Deviation in the objects or purposes for which the funds have been raised.
- b. Deviation in the amount of funds actually utilized as against what was originally disclosed.

For Fedbank Financial Services Limited

C.V. Ganesh



Name of signatory: C.V. Ganesh
Designation: Chief Financial Officer
Date: 11/12/2023

Fedbank Financial Services Limited
CIN : U65910KL1995PLC008910
Related party transactions for the quarter ended September 30, 2023

(INR in Lakh)

Sl no.	Details of the party (Listed entity / Subsidiary) entering into the transaction	Details of the Counterparty		Type of related party Transactions	Value of the related party transaction as approved by the audit committee	Value of the transaction during the reporting period (Q2 2023-2024)	In case monies are due to either party as a result of the transaction	
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary				Opening balance during the quarter	Closing balance during the quarter
1	Fedbank Financial Services Limited	The Federal Bank Limited	Promoter	Income from Distribution business	1,250.00	956.72	955.51	341.66
2	Fedbank Financial Services Limited	The Federal Bank Limited	Promoter	Interest received in Fixed Deposits/Current Account	500.00	-	1,936.76	3,571.77
3	Fedbank Financial Services Limited	The Federal Bank Limited	Promoter	Interest paid - Cash Credit	2,500.00	0.80	1,326.27	2,441.50
4	Fedbank Financial Services Limited	The Federal Bank Limited	Promoter	Interest paid - Term Loan		1,260.11	53,231.44	63,883.89
5	Fedbank Financial Services Limited	The Federal Bank Limited	Promoter	Interest on WCDL		115.18	6,000.00	6,000.00
6	Fedbank Financial Services Limited	The Federal Bank Limited	Promoter	Interest on Non Convertible Debentures		585.66	23,470.00	23,470.00
7	Fedbank Financial Services Limited	The Federal Bank Limited	Promoter	Servicing Fee Income	1.05	1.05	-	-
8	Fedbank Financial Services Limited	Rajaraman Sundaresan	Company Secretary	Remuneration to Company Secretary	8.86	8.86	-	-
9	Fedbank Financial Services Limited	Ganesh Venkatraman Chatapuram	Chief Financial Officer	Remuneration to CFO	41.39	41.39	-	-
10	Fedbank Financial Services Limited	Mrs. Gauri Shah	Independent Director	Director Sitting Fees	4.95	4.95	-	-
11	Fedbank Financial Services Limited	Mr. Balakrishnan Krishnamurthy	Independent Director & Chairman	Director Sitting Fees	4.35	4.35	-	-
12	Fedbank Financial Services Limited	P R Seshadiri	Director	Director Sitting Fees	3.75	3.75	-	-
13	Fedbank Financial Services Limited	Mr. Anil Kothuri	MD & CEO	Remuneration to MD & CEO	276.80	276.80	-	-
14	Fedbank Financial Services Limited	The Federal Bank Limited	Promoter	Direct Assignment Transaction	13,900.00	11,755.02	-	-



V. Karish